

ENTERPRISE ZONE PROGRAM RE-DESIGNATION BACK-UP

The City of Gainesville, pursuant to the amended Florida Enterprise Zone Act of 1982, and in accordance with Chapter 290, F.S., adopted an Enterprise Zone in February, 1995. The Enterprise Zone consisted of three geographic areas covering approximately 10 square miles. The intent of establishing the Enterprise Zone, as indicated in the adopting Resolution, was to provide both State and local incentives in order to induce private investment in these identified economically distressed areas.

In addition to the adopting Resolution instituting the Enterprise Zone, several steps were taken to implement its intent. These included: 1) adoption of a Strategic Plan, outlining the specific objectives of the Program; 2) establishing, by Ordinance, a Gainesville Enterprise Zone Development Agency (GEZDA), responsible for carrying out and overseeing activities associated with the Enterprise Zone Program; and 3) establishment, by Ordinance, of several local incentives, pursuant to Chapter 290, F.S., available to businesses located in the Enterprise Zone including a 50% reduction in building permit and development fees, a 50% reduction in occupational license tax and a 50% reduction in the municipal tax on electric energy.

In addition to locally offered incentives, the Florida Department of Revenue administers a menu of State incentives that include: 1) State Sales Tax Refunds on Building Materials and Business Equipment; 2) State Sales Tax or Corporate Income Tax Credits for Job Creation; 3) Corporate Income Tax Credit based upon ad valorem taxes paid; 4) a State Sales Tax Exemption for Electrical Energy; and 5) the Community Contribution Tax Credit Program.

The Florida Legislature recently reviewed the Florida Enterprise Zone Program in the 2005 Legislative Session to determine whether the Program should be reinstated. This is due to the fact that per Chapter 290, F.S., the Program was due to sunset on December 31, 2005.

The Florida Legislature did reenact the program per Chapter 2005-287, Laws of Florida, House Bill 1725 with the following features: 1) extends the expiration date of the Enterprise Zone Program to December 31, 2015; 2) provides opportunities for existing Enterprise Zones to apply for re-designation (including a request to amend their boundaries); if not approved for re-designation they expire on December 31, 2005; 3) institutes a procedure for re-designation; 4) adds measurable goals as an element of the Enterprise Zone Annual Report; and 5) modifies the State Sales Tax Refund on Building Materials. To comply with the legislation, all applications for re-designation must be submitted to the State of Florida by November 30, 2005.

The Gainesville Enterprise Zone Development Agency (GEZDA) is recommending re-designation of the Enterprise Zone with the following provisions;

- 1) **Amend the Enterprise Zone Boundaries:** Amendment of the existing boundaries is driven by the fact that certain areas have dropped out according to poverty rate data published by the 2000 US Census and that the GEZDA Board expressed an interest in maintaining the 10 square mile overall statutory limit by adding several areas lying to the east

of 13th Avenue. The proposed additions primarily affect Area 3 of the existing Enterprise Zone with supporting deletions and State owned property lying in the vicinity of Waldo Road and 39th Avenue.

- 2) **Maintenance of Local Incentives:** A preliminary review of annual reports filed with the State of Florida through the most recent submission indicates that local incentives (including 50% reduction in permitting and development fees, 50% reduction in Occupational License Tax and 50% reduction in municipal tax on electric energy) total approximately \$1.3 million dollars over the past ten years, or between \$100 - \$150,000 annually. The GEZDA Board supported maintenance of these incentives and the addition of an educational component to provide Entrepreneurial Assistance in addition to the existing quarterly Enterprise Zone Workshops.
- 3) **Adoption of Measurable Goals:** The Strategic Plan adopted in 1995 had several goals that did not seem to be affected by administration of the Enterprise Zone program and/or too sweeping in terms of practical implementation. The GEZDA Board felt that going with more realistic, measurable, and timely goals made more sense. Therefore, the goals focus on job creation, capital investment and business formation.

The GEZDA Board adopted its Enterprise Zone Re-designation proposal at its regularly scheduled October 12, 2005 meeting and an October 26, 2005 special meeting.

State legislation requires that an application for Enterprise Zone Re-designation be forwarded to the State Office of Tourism, Trade and Economic Development (OTTED) no later than November 30, 2005. The local governing body is required to re-designate the program via Resolution. Following adoption of the Resolution and supporting application, several Ordinances amending the applicable date of local incentives will be brought before the City Commission for approval.

PASSED _____

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA REQUESTING RE-DESIGNATION OF ITS ENTERPRISE ZONE; DEFINING THE BOUNDARIES OF THE ENTERPRISE ZONE PURSUANT TO CHAPTER 290, FLORIDA STATUTES; STATING THE PURPOSE OF THE ENTERPRISE ZONE, MAKING FINDINGS OF FACT; DIRECTING THE CITY MANAGER TO MAKE APPLICATION TO THE STATE OF FLORIDA FOR RE-DESIGNATION OF ITS ENTERPRISE ZONE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Gainesville has established that economic and community development of distressed areas is a public purpose; and

WHEREAS, the City Commission of the City of Gainesville has determined that it is the policy of the city to assist local neighborhoods, their residents, and the private sector with creating the proper economic and social environments required to induce the investment of private resources to improve living conditions and productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas; and

WHEREAS, the purpose of the Florida Enterprise Zone Program is to establish a process that clearly identifies the most severely distressed areas and provides incentives from both the state and local governments to induce private investment in such areas: and

WHEREAS, the City Commission of the City of Gainesville desires to provide both state and local incentives to induce private investment into the area; and

WHEREAS, the City of Gainesville passed a resolution establishing its enterprise zone on February 27, 1995 (R-95-6) and amended the boundaries of

the enterprise zone by resolution on September 10, 2001 (001799) and has worked over the ten years since establishment to implement goals associated with its Gainesville Enterprise Zone Strategic Plan including increasing employment opportunities to the unemployed and underemployed; decreasing costs associated with the development of property in the Enterprise Zone; development of the Airport Industrial Park; and, increasing the tax base in the area; and,

WHEREAS, the City of Gainesville has processed approximately \$392,000 in State of Florida offered Enterprise Zone incentives and approximately \$1.3 million in local incentives over the last ten years;

WHEREAS, the City Commission of the City of Gainesville seeks to continue its efforts in the enterprise zone and to apply and utilize appropriate tax benefits and regulatory relief available under the Florida Enterprise Zone Program to encourage the private sector to commit their financial participation in the area.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

Section 1. That certain area defined in Attachment "A: and depicted in Attachment "B" shall hereafter be known as the "Gainesville Enterprise Zone.

Section 2. It is hereby found and determined that the Gainesville Enterprise Zone chronically exhibits unacceptable levels of poverty, unemployment, physical deterioration and economic disinvestment.

Section 3. It is hereby found and determined that continued rehabilitation, conservation or redevelopment of the Gainesville Enterprise Zone is necessary in

the interest of public health, safety, and welfare of the residents of the City of Gainesville.

Section 4. It is hereby found and determined that the revitalization of the Gainesville Enterprise Zone can occur in some instances if the private sector can be induced to invest its own resources to build or rebuild the economic viability of the area.

Section 5. The City Manager is hereby directed to make application to the Department of Commerce of the State of Florida for re-authorization of the enterprise zone pursuant to the amended Florida Enterprise Zone Act of 1982, attaching a certified copy of this resolution to such application and including any other information and data necessary to effectuate the purpose of this Resolution.

Section 6. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED, this _____ day of _____, 2005

Pegeen Hanrahan, Mayor

ATTEST:

Approved as to form and legality:

Kurt M. Lannon
City Clerk

Marion J. Radson
City Attorney

ATTACHMENT A TO THE RESOLUTION

Areas to be added:

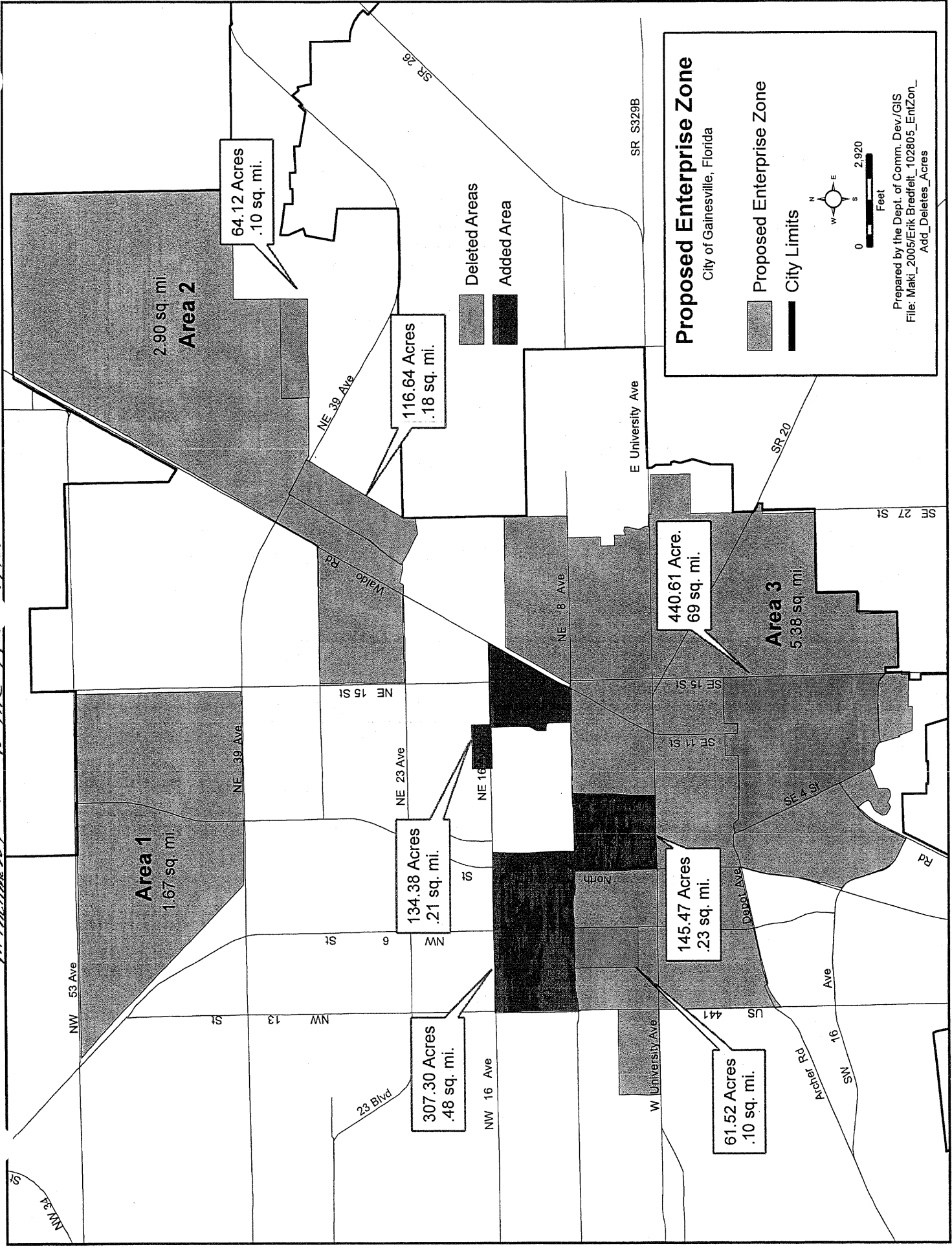
- Area 1 is bound on the North by Northwest 16th Avenue, on the South by Northwest 8th Avenue, on the East by Northeast 2nd Street, and on West by Northwest 13th Street.
- Area 2 is bound on the North by Northeast 8th Avenue, on the South by East University Avenue, on the East by Northeast 7th Street, and on West by North Main Street.
- Area 3 is bound on the North by Northeast 16th Avenue, on the South by Northeast 8th Avenue, on the East by Waldo Road, and on the West, commence at the Southeast corner of Northeast 12th Street and Northeast 16th Avenue; thence run South along Northeast 12th Street, continuing to Northeast 11th Terrace to Northeast 10th Place; thence run East along Northeast 10th Place to Northeast 12th Street; thence run South to Northeast 8th Avenue.
- Area 4 is bound on the North by an extension of the South right of way line of Northeast 18th Avenue, extending from the east right of way line of Northeast 9th Street to the East right of way line of Northeast 12th Street, on the South by the South right of way line of Northeast 16th Avenue, on the East by the East right of way line of Northeast 12th Street, and on the West by the East right of way line of Northeast 9th Street.

Areas to be deleted:

- Area 1 is that area of Tax Parcels 8191-000-000 & 8184-000-000 lying in the current Enterprise Zone.
- Area 2 is that area of Track 14, Bock Group 12 of the 2000 Census Boundary for the City of Gainesville, lying in the current Enterprise Zone.
- Area 3 is bound on the North by Northwest 8th Avenue, on the South by Northwest 3rd Avenue, on the East by Northwest 6th Street, and on the West by Northwest 10th Street.
- Area 4 is bound on the West by Southeast 4th Street, on the South by Southeast 22nd Avenue, on the East by Southeast 15th Street, and on the North, commence at the intersection of Southeast 15th Street and Southeast 7th Avenue; thence run West along Southeast 7th Avenue to Southeast 12th Street; thence South to a projection of Southeast 8th Avenue; thence West along the project of Southeast 8th Avenue to Williston Road (State Road 331); thence run North to Southeast 7th Avenue; thence run West to Southeast 10th Street; thence run South to Southeast 8th Avenue; thence run West along Southeast 8th Avenue and a projection of Southeast 8th Avenue to Sweetwater Branch Creek; thence north along Sweetwater Branch to Southeast 7th Avenue; thence west to the point of commencement.

050296

ATTACHMENT B TO THE RESOLUTION



FLORIDA ENTERPRISE ZONE PROGRAM
APPLICATION PACKAGE FOR
URBAN ENTERPRISE ZONE
RE-DESIGNATION

8E-12 EZD #2005-RE-DES (effective: August 8, 2005)

The purpose of this application package is to provide information, guidance and instructions that will enable officials from existing Enterprise Zones prepare an application package for the re-designation of an area as an Enterprise Zone under the Florida Enterprise Zone Act authorized by sections 290.001-290.016, Florida Statutes (the "Act").

The Florida Enterprise Zone Program was enacted to provide the necessary means to assist local communities, their residents, and the private sector in creating the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas and to provide jobs for residents of such areas. In achieving this objective, the state will seek to provide appropriate investments, tax benefits, and regulatory relief to encourage the business community to commit its financial participation. To date, the state has designated fifty-three enterprise zones.

The Florida Legislature approved House Bill 1725 (Chapter 2005-287, Laws of Florida), which provides existing Enterprise Zones an opportunity to submit an application package for the re-designation of an area as an Enterprise Zone. To comply with the legislation, local officials must submit a completed application package for Enterprise Zone Re-Designation with all the attachments. Applications must be received on or before November 30, 2005